



January 9, 2020

MEMORANDUM FOR: ALL GENERAL SERVICES ADMINISTRATION (GSA)
AND CLIENT AGENCY EMPLOYEES

FROM: BART JESTEL *Bart Jestel*
CHIEF, GSA PAYROLL SERVICES BRANCH

SUBJECT: 2020 Payroll Newsletter

The 2020 Payroll Newsletter provides general information for all General Services Administration (GSA) and client agency employees. As a reminder, the GSA Office of the Chief Financial Officer (OCFO) Payroll Services Branch (PSB) provides payroll services for federal, non-federal and quasi-federal employees. This newsletter covers many payroll issues and serves as a summary of changes effective in 2020.

Some of the important changes occurring in 2020 are:

- An average 3.1 percent pay increase in January 2020.
- Federal Employees Health Benefits (FEHB) rate changes.
- New 2020 Combined Federal Campaign (CFC) contributions.
- New federal, state and local tax changes.

TABLE OF CONTENTS

(Follow cross reference to listed section - *ctrl-click*)

1. GSA Payroll Newsletter On-Line
2. Pay Periods
3. Employee Express (EEX) Earnings And Leave Statement (ELS)
4. EEX Technical Assistance
5. Reminder To Review Your EEX ELS
6. Salary Changes
7. Federal Income Tax Withholding (IRS FORM W-4) Exempt
8. Wage And Tax Statement (IRS Form W-2) Update For 2019
9. Federal, State And Local Income Tax Change
10. Supplemental Wage Withholding Rate
11. Cancellation of Debt (IRS Form 1099-C)
12. Old-Age, Survivors And Disability Insurance (OASDI) and Medicare
13. Pre Tax Qualified Transportation Fringe Benefits (TEA-21) Program
14. GSA Child Care Subsidy Program
15. Affordable Care Act Employer Shared Responsibility (ACA ESR)
16. Combined Federal Campaign (CFC) Contributions
17. Official Worksite for Location-Based Pay Purposes
18. Within-Grade Increases (WIGI)
19. Allowances for GSA Employees Deployed in Foreign Areas
20. Voluntary Leave Transfer Program (VLTP)
21. Employment And Income Verification ("The Work Number")
22. Federal Holidays - 2020
23. Payroll Contact Information

1. GSA Payroll Newsletter On-Line

The PSB issues memorandums and informational newsletters, such as this one, at various times during the year. These are posted to the GSA Payroll [website](#) and can be viewed at any time.

2. Pay Periods

There are 26 pay periods in 2020 and a copy of this payroll [calendar](#) and the following additional information may be of interest:

- The first pay period in 2020 is pay period ending (PPE) January 4, 2020, and the last pay period is PPE December 19, 2020.
- The last Electronic Funds Transfer (EFT) pay date is on December 24, 2020. The last "Official" pay date will be on December 30, 2020.
- The leave year-end date is January 2, 2021.
- Employees earning 6 hours of annual leave will earn 10 hours in PPE December 19, 2020.

3. Employee Express (EEX) Earnings And Leave Statement (ELS)

GSA and client agency employees have the capability of viewing their ELS electronically through the EEX website at <https://www.employeeexpress.gov>.

The EEX provides timely access to your pay and leave data as early as the Thursday afternoon following the end of the pay period. You have online access to current and year-to-date pay and leave data, prior pay period data, and topical information regarding payroll issues.

The EEX allows you to view and/or change the following payroll information (for personnel changes use HRLinks Employee Self Service area):

- Combined Federal Campaign (CFC)
- Direct deposit
- Financial allotments
- Federal and state tax withholdings
- Health savings allotment

- W-2 hard copy On/Off
- 1095-C hardcopy On/Off
- History personnel/payroll actions
- W-2 Forms
- 1095-C Forms

4. EEX Technical Assistance

On-line help information is always available when using EEX. You may read the frequently asked questions link on the EEX homepage www.employeeexpress.gov for commonly asked questions.

If you need technical assistance or have forgotten your EEX Personal Identification Number (PIN), a new PIN can be requested by contacting the EEX Help Desk. Your new PIN will be sent via email to your official email address on file. Contact the Help Desk by sending a detailed email message to EEXHelp@opm.gov with the following information:

- Your name,
- Your employing agency name,
- Your daytime phone number, and
- A detailed description of the reason for your inquiry. (For security reasons, DO NOT include your Social Security Number (SSN), Login ID or Password in your message.)

Questions concerning specific personnel information should be directed to your servicing Human Resources Office (HRO). For payroll information, contact the GSA PSB Customer Service Center at kc-payroll.finance@gsa.gov.

5. Reminder To Review Your Biweekly ELS

Each employee is provided a comprehensive Earnings and Leave Statement (ELS) each pay period, whereby you can determine the accuracy of your pay and leave.

Although both your servicing HRO and the PSB staffs have many internal controls in place and make every effort to process your personnel and payroll actions promptly and without error, mistakes can happen. One of the internal controls is for you to review your biweekly ELS. The ELS located at www.employeeexpress.gov is designed for you to identify and report mistakes in your pay, benefits, deductions and leave balances.

Reviewing your ELS every pay period is important, especially at the beginning of

the calendar year when many changes are implemented. If there is an error in your pay from either pay calculation or withholdings and you are overpaid, you will be required to pay back any overpayments received as a debt to the government. In the event of an underpayment, the PSB will promptly process the payment.

The Comptroller General of the United States has repeatedly ruled that if an employee has information available to them regarding their pay and an error occurs, they must pay back an overpayment. In rare instances and on a case-by-case basis, an erroneous overpayment may be waived. In that event, the erroneous overpayment becomes taxable and will be reportable to the Internal Revenue Service (IRS) to determine if it is taxable income.

6. Salary Changes

- a. Differences in your pay beginning PPE January 4, 2020, (EFT pay date January 10, 2020) may be the result of changes in the following:
 - Federal, state and local tax changes (see details below).
 - Flexible Spending Account (FSAFEDS) Health Care limit increases to \$2,750 annually.
- b. Differences in your pay beginning PPE January 18, 2020, (EFT pay date January 24, 2020), may be the result of changes in any or all of the following:
 - General Schedule (GS) and locality [pay increase](#) of an average of 3.1 percent.
 - FEHB Health Insurance rate changes.
 - New 2020 CFC contributions.
 - Federal Employee Dental and Vision Insurance Program (FEDVIP) changes.
 - State and local tax changes processed in the pay period.

7. Federal Income Tax Withholding (IRS FORM W-4) Exempt

The IRS Form W-4, Employee's Withholding Allowance Certificate, is used by employees to designate how much of their taxable income is to be withheld and remitted to the IRS as advance tax payments throughout the year.

Changes to withholding allowances must be made either through the EEX application or by completing the IRS Form W-4. According to the IRS Circular E, Employer's Tax Guide (Publication 15), employers can no longer accept a substitute Form W-4 form.

To change your withholding allowance in EEX go to www.employeeexpress.gov, click on "Federal Tax" on the left side of the Main Menu. To change your withholding allowance using the IRS Form W-4, go to www.irs.gov, click on the link on the left side of the Main Menu. The completed form must be sent to the PSB via e-mail, fax or regular mail.

If you have been claiming an "EXEMPT" withholding status in 2019, you must file a new IRS Form W-4 to retain your "EXEMPT" withholding status in 2020. To ensure there is no interruption to an "EXEMPT" withholding status, be aware that the deadline for filing the "EXEMPT" withholding status IRS Form W-4 for the 2020 tax year is February 15, 2020.

Effective February 16, 2020, your prior year IRS Form W-4 (2019) filing "Exempt" status expires. If we have not received an IRS Form W-4 for the 2020 tax year by February 16, 2020, we will begin withholding federal income tax under the "single/no exemption" formula as of PPE February 29, 2020. Note: There are no refunds of tax withholdings if the IRS Form W-4 claiming "Exempt" status is submitted late.

8. Wage And Tax Statement (IRS Form W-2) Update For 2019

The GSA PSB will issue the 2019 IRS Form W-2, Wage and Tax Statement using EEX contracted services. If you received your 2018 IRS Form W-2 electronically or you registered to receive an electronic 2019 IRS Form W-2 before the close of business on December 21, 2019, you are registered to receive your 2019 IRS Form W-2 on-line through EEX. The on-line 2019 IRS Form W-2 will be available by the middle of January 2020 through the EEX [website](#). If you elected to receive your IRS Form W-2 in paper format, your IRS Form W-2 will be postmarked and mailed by no later than January 31, 2020.

Upon an employee's separation, the GSA PSB will automatically set the indicator to have the W-2 mailed to the employee's last known address on record with the PSB.

Employees should examine their IRS Form W-2 closely for legibility, accuracy, and completeness. The instructional guide for reading the 2020 IRS Form W-2 may be found on the GSA Payroll [website](#). You should compare the IRS Form W-2 with your final ELS for PPE December 21, 2019, to verify accuracy and completeness of the tax information included on the IRS Form W-2. Report any discrepancies to the GSA PSB Customer Service Center via email at kc-payroll.finance@gsa.gov.

9. Federal, State And Local Income Tax Change

Federal and State Income Tax Changes Effective PPE January 4, 2020:

- Federal withholding tables updated
- Illinois (IL) - personal allowance updated
- Iowa (IA) - withholding tables updated
- Kentucky (KY) - withholding tables updated
- Maine (ME) - withholding tables and personal allowance updated
- Massachusetts (MA) - withholding rate updated
- Michigan (MI) - withholding tables updated
- Minnesota (MN) - withholding tables and personal allowance updated

- Missouri (MO) - standard deductions updated
- New Mexico (NM) - withholding tables updated
- New York (NY) - withholding tables updated
- North Carolina (NC) - standard deduction updated
- Ohio (OH) - withholding tables updated
- Rhode Island (RI) - withholding tables updated
- Vermont (VT) - withholding tables and personal allowance updated

The state withholding form will change for:

- Maine (ME) - W-4ME updated
- Nebraska (NE) - new withholding form (Form W-4N)
- South Carolina (SC) - SC W-4 updated

State and Local Income Tax Changes Effective PPE January 18, 2020:

- California (CA) - withholding tables and standard deduction updated
- Colorado (CO) - withholding formula updated
- North Dakota (ND) - withholding tables and withholding formula updated
- Oregon (OR) - withholding tables, standard deduction and personal allowance updated
- South Carolina (SC) - standard deduction and personal allowance updated
- The local tax rate will change for:
 - Ohio School Districts - Percentages updated
 - Pennsylvania ACT 32 - Political Subdivision Code (PSD) Earned Income Tax updated

Additional states have not published withholding rates for 2020. As these states publish new guidelines a message will be sent out through EEX.

Note: Please check your ELS this pay period to determine the effect on your pay.

10. Supplemental Wage Withholding Rate

Supplemental wages are non-regular wage payments to an employee. They include payments such as awards, overtime, severance pay, back pay, voluntary separation incentive payments, amended timecards and retroactive pay increases.

The federal income tax withholding rate for supplemental wages for 2020 will continue to be 22 percent (as in 2019).

11. Cancellation Of Debt (IRS Form 1099-C)

If a federal government agency, financial institution, or a credit union cancels or forgives a debt owed of \$600 or more, an IRS Form 1099-C, Cancellation of

Debt, must be provided to you. Generally, you must include all canceled amounts, even if less than \$600, on the "Other income" line of IRS Form 1040, U.S. Individual Income Tax Return. IRS Form 1099-C, will be mailed by January 31, 2020. Consult the IRS, or your tax advisor, if you have additional questions on preparing your individual tax return.

12. Old-Age, Survivors And Disability Insurance (OASDI) and Medicare

The 2019 and 2020 wage base limits for these two programs are shown in the table below. In 2020, the Medicare tax rate is 1.45 percent. The OASDI tax rate is 6.2 percent.

Year	OASDI Wage Base Limit	Medicare Wage Base Limit
2019	\$132,900	Unlimited*
2020	\$137,700	Unlimited*

**Under a provision of the Affordable Care Act, the employee-paid portion of the Medicare tax is subject to the 0.9 percent additional Medicare tax on amounts over statutory thresholds that are not inflation-adjusted and thus apply to more employees each year.*

The threshold annual compensation amounts that trigger the additional Medicare tax are:

- *\$250,000 for married taxpayers who file jointly.*
- *\$125,000 for married taxpayers who file separately.*
- *\$200,000 for single and all other taxpayers.*

13. Pre Tax Qualified Transportation Fringe Benefits (TEA-21) Program

The IRS regulations allow employees to use pre-tax earnings to pay for the monthly cost of qualified vanpools, qualified parking expenses or transit passes (where the agency does not provide a transit pass issued directly to their employees).

The IRS regulations (effective January 2020) authorize employees to claim up to \$270 per month in qualified parking benefits. In addition, employees can also claim up to \$270 per month for transportation in a commuter highway vehicle (a vehicle seating six or more passengers, not counting the driver). The \$270 monthly benefit for a commuter highway vehicle, when combined with the Transit Fare Subsidy, cannot exceed the \$270 per month limitation.

Reminder for all employees already enrolled in the TEA-21 benefit program, if your monthly costs change or you no longer qualify for the pre-tax transportation benefit, GSA employees must complete a GSA Form 3667 and other agency employees should use the Optional Form 3667, Application for Pre-tax Transportation Fringe Benefits (TEA-21) Program to update or cancel your participation. Links to these forms

can be found on the GSA Payroll Website: (<https://www.gsa.gov/buying-selling/purchasing-programs/shared-services/payroll-shared-services/forms-documents-and-other-links>) under the “Forms, Documents and Other Links” tab.

To obtain information and program forms, employees of the GSA and its client agencies should contact their servicing HRO, the GSA PSB, or by going to the GSA Forms Library at <http://www.gsa.gov/forms>. Once an employee completes the GSA Form 3667, email the form to the GSA PSB at kc-payroll.finance@gsa.gov or it can be faxed to (816) 823-5435.

Exceptions:

Employees of the Railroad Retirement Board (RRB) should contact Patricia Hopkins at (312) 751-4511 or Patricia.Hopkins@rrb.gov with questions specifically related to the RRB Pretax Transit Benefits Program.

Employees of the Senate Restaurant Associates are not eligible for the pre-tax Qualified Transportation Fringe Benefits program through the GSA PSB.

14. GSA Child Care Subsidy Program

The [Child Care Subsidy Program](#) helps pay childcare costs for income-qualified GSA employees. Child care payments made by the agency to a child care provider on behalf of an employee in excess of \$5,000 are subject to OASDI, Medicare and federal income taxes.

Exceptions:

OPM employees should contact their local HRO to obtain information and application forms for this program.

The RRB child care subsidy program is approved and funded on an annual basis. The program is fully operated by RRB. The RRB point of contact for this program is Tanisha Cooper at Tanisha.Cooper@rrb.gov or [\(312\) 751-4578](tel:3127514578).

15. Affordable Care Act Employer Shared Responsibility (ACA ESR)

As a federal government employee, Form 1095-C will be provided to you either by mail or electronically through EEX by January 31, 2020. The form will show whether your employer has offered health coverage to you during calendar year 2016. You can expect to receive this information every year thereafter reflecting information for the prior calendar year. Instructions for Recipients can be found on page 2 of the Form 1095-C.

If you signed up in EEX by the December 24, 2016 deadline to receive your 2016 Form 1095-C electronically, you will receive an email from EEX when the Form 1095-C is available to print for your records. If you do not elect this option, the form will be sent to your mailing address.

For more information on this form and IRS reporting, please visit the IRS ACA [website](#).

16. Combined Federal Campaign (CFC) Contributions

All 2020 CFC contributions will take effect with PPE January 18, 2020, (EFT pay date January 24, 2020.) Please verify your withholding by checking your ELS against your pledge receipt. The CFC pledges received after PPE January 24, 2020, will take effect in the first pay period after receipt.

17. Official Worksite for Location-Based Pay Purposes

Certain location-based pay entitlements (such as locality payments, special rate supplements, and non-foreign area cost-of-living allowances) are based on the location of the employee's official worksite associated with the employee's position of record. An agency must document an employee's official worksite on the employee's Notification of Personnel Action (Standard Form 50 or equivalent). See "Duty Station" blocks 38 and 39 of the Standard Form 50 showing the city/county and state in which the official worksite is located.

The official worksite generally is the location where the employee regularly performs his or her duties. If the employee's work involves recurring travel or the employee's work location varies on a recurring basis, the official worksite is the location where the work activities of the employee's position of record are based, as determined by the employing agency, subject to the requirement that the official worksite must be in a locality pay area in which the employee regularly performs work.

Whenever you have a personnel change, it is your responsibility to verify the accuracy of the change and report to your Servicing HRO if you find an error. If you have any questions about your duty station, please contact your servicing HRO. If there is an error in your pay a change in your official duty station and you are overpaid, you will be required to pay back any overpayments received as a debt to the government.

18. Within-Grade Increases (WIGI)

Within-Grade Increases (WIGI) are pay increases received by Federal employees after they have served a specific amount of time at a certain grade level and demonstrated at least an acceptable level of performance.

A WIGI is effective on the first day of the first pay period beginning on or after the completion of the required waiting period. You can calculate your next WIGI by finding the effective date on the SF-50, Notification of Personnel Action for your last WIGI and using the chart below:

WIGI Step	Waiting Period Between Steps
2, 3 and 4	52 calendar weeks (1 year)
5, 6 and 7	104 calendar weeks (2 years)
8, 9 and 10	156 calendar weeks (3 years)

Whenever you have a personnel change, it is your responsibility to verify the accuracy of the change and report to your Servicing HRO if you find an error. If you have any questions about your WIGI, please contact your servicing HRO. If there is an error in your pay a change in your official duty station and you are overpaid, you will be required to pay back any overpayments received as a debt to the government.

19. Allowances for GSA Employees Deployed in Foreign Areas

The Department of State Standardized Regulations (DSSR) governs allowances and benefits available to U.S. Government civilians assigned to foreign areas. The GSA has implemented additional policies and procedures governing certain foreign allowances. Employees should check both the DSSR and their agency's implementing regulations for guidance on a specific allowance. The DSSR and other information of foreign allowances may be found on the State Department's [website](#).

20. Voluntary Leave Transfer Program (VLTP)

The GSA VLTP allows employees to donate annual leave to employees who are experiencing (or whose family member is experiencing) a medical emergency. Your donation may not exceed the lesser of:

- One-half of the annual leave the donor would be entitled to accrue during the leave year in which the donation is made. For example, if you are in the 8-hour leave category no more than 104 hours could be donated OR,
- If the employee is projected to otherwise forfeit "use-or-lose" leave at the end of the year, the number of hours remaining in the leave year of the donation for which the employee is scheduled to work and receive pay.

Approved donated leave recipients should contact their timekeeper or supervisor if you have questions on your donated leave balance. Also, remember it is your responsibility to review your ELS and work with your timekeeper and supervisor to ensure that the correct amount of donated leave is charged to your time and attendance records.

For more information on the GSA Voluntary Leave Transfer Program visit the VLTP [website](#) .

21. Employment And Income Verification ("The Work Number")

The Equifax/ TALX "Work Number", employment and income verification service, is temporarily unavailable. We will notify you when it is available again. Contact GSA Payroll for your employment and income verification needs at KC-Payroll.Finance@gsa.gov or toll free at [844-303-6515](tel:844-303-6515).

22. Federal Holidays – 2020

Date

Wednesday, January 1

Monday, January 20

Monday, February 17

Monday, May 25

Friday, July 3

Monday, September 7

Monday, October 12

Wednesday, Nov. 11

Thursday, November 26

Friday, December 25

Holiday

New Year's Day

Birthday of Martin Luther King, Jr

Washington's Birthday

(President's Day)

Memorial Day

Independence Day

Labor Day

Columbus Day

Veterans Day

Thanksgiving Day

Christmas Day

23. Payroll Contact Information

If you have payroll questions or concerns contact the GSA PSB Customer Service:

Email	KC-Payroll.Finance@gsa.gov
Phone	(844) 303-6515
Fax:	(816) 823-5435
Mail:	GSA Payroll Services Branch (BGC)
	2300 Main Street, 2NW
	Kansas City, MO 64108